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BARRY D. SHALOV
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JEFFREY I. CITRON
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RHODA A. LONDON
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ROBERT S. NASH
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BRUCE A. SIEGEL
HARVEY R. URIS
SUSAN K. WASSERMAN
PAUL D. WEXLER

RECORDATION NO. 12208-4 Filed 1425

No. 0-267A135

Date SEP 23 1980

Fee \$ 200.00

100 Washington, D.C.

12208

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INTERSTATE COMMERCE COMMISSION

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INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 12208 Filed 1425

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September 23, 1980
INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 12208-B Filed 1425

SEP 23 1980 -2 20 PM

INTERSTATE COMMERCE COMMISSION

Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Sir:

Enclosed for recordation under the provisions of 49 U.S.C. §11303(a) and the regulations thereunder are the original and two counterparts of each of the following documents: (i) Security Agreement dated September 23, 1980 between Funding Systems Railcars, Inc., as debtor, and U.S. Steel Credit Corporation, as secured party, (ii) Non-Negotiable Installment Promissory Note -- Security Agreement dated September 23, 1980 between Funding System Railcars, Inc., as secured party, and The Weiler-Arn timer Investment Company, as debtor, (iii) Management and Maintenance Contract dated September 23, 1980 between The Weiler-Arn timer Investment Company, as owner, and Wisconsin & Southern Railroad Co., as manager; and (iv) Transferee Agreement dated September 23, 1980 between The Weiler-Arn timer Investment Company, as transferee, and U.S. Steel Credit Corporation, as secured party, (assigning an interest in the Management and Maintenance Contract), with the Consent and Agreement of the manager attached thereto.

A general description of the railroad equipment covered by the enclosed documents is as follows:

RECEIVED
SEP 23 2 13 PM '80
I.C.C.
FEE OPERATION BR.

Copy to C. T. Konrad

One hundred (100) 52' 6" general purpose gondola cars bearing reporting marks and numbers WSOR 5164 through WSOR 5263, both inclusive.

The name and addresses of the parties to the enclosed documents are:

(i) Security Agreement

Secured Party: U.S. Steel Credit Corporation
600 Grant Street
Pittsburgh, Pennsylvania 15219

Debtor: Funding Systems Railcars, Inc.
c/o FSC Corporation
1000 RIDC Plaza
Pittsburgh, Pennsylvania 15238

(ii) Non-Negotiable Installment Promissory Note -- Security Agreement

Debtor: The Weiler-Arnow Investment Company
1114 Avenue of the Americas
New York, New York 10036

Secured Party: Funding Systems Railcars, Inc.
c/o FSC Corporation
1000 RIDC Plaza
Pittsburgh, Pennsylvania 15238

(iii) Management and Maintenance Contract

Owner: The Weiler-Arnow Investment Company
1114 Avenue of the Americas
New York, New York 10036

Manager: Wisconsin & Southern Railroad Co.
c/o FSC Corporation
1000 RIDC Plaza
Pittsburgh, Pennsylvania 15238

(iv) Transferee Agreement

Transferee: The Weiler-Arnow Investment Company
1114 Avenue of the Americas
New York, New York 10036

Secured Party: U.S. Steel Credit Corporation
600 Grant Street
Pittsburgh, Pennsylvania 15219

Manager: Wisconsin & Southern Railroad Co.
c/o FSC Corporation
1000 RIDC Plaza
Pittsburgh, Pennsylvania 15238

The undersigned is attorney-in-fact for Wisconsin & Southern Railroad Co. and Funding Systems Railcars, Inc. mentioned in the enclosed documents and has knowledge of the matters set forth therein.

Please return the copies of the enclosed documents to Charles T. Kappler, Esq., Alvord and Alvord, 200 World Center Building, 918 Sixteenth Street, N.W., Washington, D.C. 20006, or to the bearer hereof.

Also enclosed is a remittance for the required recording fee.

Very truly yours,



C. Martin Goldenberg

Rec. No. 2C

TRANSFeree AGREEMENT

12208/C
RECORDATION NO. Filed 1425

SEP 23 1980 -2 20 PM

INTERSTATE COMMERCE COMMISSION

TRANSFeree AGREEMENT dated as of September 23, 1980 (the "Transferee Agreement") between THE WEILER-ARNOW INVESTMENT COMPANY a New York partnership (the "Transferee"), and U.S. STEEL CREDIT CORPORATION, a Delaware corporation (the "Secured Party").

WHEREAS, pursuant to a Purchase Order Agreement dated as of December 21, 1979, as amended (the "Purchase Order") between Thrall Car Manufacturing Company ("Thrall") and Funding Systems Railcars, Inc., a Delaware corporation ("Railcars"), Railcars purchased one hundred (100) railroad gondola cars described on the annexed Schedule A (the "Equipment");

WHEREAS, pursuant to a Loan Agreement dated as of the date hereof between U.S. Steel Credit Corporation, a Delaware corporation (the "Secured Party"), and Railcars, the Secured Party made a loan to Railcars in the amount of \$2,914,284.80 to enable it to purchase the Equipment (the "Equipment Loan") and Railcars issued its Secured promissory note to the Secured Party in the principal amount of \$2,914,284.80 (the "Note");

WHEREAS, pursuant to a Security Agreement dated as of the date hereof between Railcars and the Secured Party (the "Security Agreement"), Railcars granted the Secured Party a first lien on and security interest in the Equipment ("Equipment Security Interest");

WHEREAS, pursuant to a Purchase Agreement dated the date hereof (the "Purchase Agreement"), Railcars transferred the Equipment, subject and subordinate to the Equipment Security Interest, to the Transferee by Bill of Sale dated the date hereof;

WHEREAS, in the Purchase Agreement, the Transferee has acknowledged and agreed that its interest in the Equipment is subject and subordinate to the Equipment Security Interest;

WHEREAS, the Transferee has entered into a Management and Maintenance Contract dated the date hereof (the "Management and Maintenance Contract") with Wisconsin & Southern Railroad Co. ("W&S"), pursuant to which W&S has agreed to manage and maintain the Equipment for the account of the Transferee on the terms and conditions therein contained, and FSC Corporation has executed and delivered to the Transferee a Guaranty Agreement dated the date hereof (the "Guaranty Agreement"), wherein FSC Corporation guaranteed payment and performance by W&S under the Management and Maintenance Contract; and

WHEREAS, as required by the Loan Agreement (as defined in the Security Agreement), this Transferee Agreement is being executed and delivered.

NOW, THEREFORE, be it agreed:

SECTION 1. GRANT OF SECURITY AND ASSIGNMENT

1.1 Grant of Security and Assignment. The Transferee, in consideration of the premises and of the sum of Ten Dollars received by the Transferee from the Secured Party, and in order to secure the payment of the principal of and interest on the Note according to the tenor and effect of the Note and to secure the payment of all other indebtedness secured by the Security Agreement and the performance and observance of all covenants and conditions therein, and in this Transferee Agreement contained (all of the foregoing hereinafter collectively called the "obligations hereby secured"), does hereby convey, warrant, mortgage, pledge, assign, and grant the Secured Party, its successors and assigns, a security interest in all revenues of the Equipment, subject only to the exceptions, reservations and limitations contained in Section 1.4 hereof (all properties to which this security interest extends are hereinafter collectively called "Additional Collateral").

1.2 Management and Maintenance Contract; Guaranty Agreement. Additional Collateral includes, without limitation, all right, title, interest, claims and demands of the Transferee in, to and under the Management and Maintenance Contract and Guaranty Agreement, any and all amendments thereto whether now existing or hereafter entered into, and all extensions of the term thereof with all rights, powers, privileges, options and other benefits of the Transferee

thereunder, including, without limitation, but subject always to the exceptions, reservations and limitations contained in Section 1.4 hereof:

(1) The immediate and continuing right to receive and collect all revenues, insurance proceeds, condemnation awards and other payments, tenders and security now or hereafter payable to or receivable by the Transferee under the Management and Maintenance Contract or pursuant thereto or with respect to the Equipment;

(2) The right to make all waivers and agreements and to give and receive duplicate copies of all notices and other instruments or communications; and

(3) The right to take such action upon the occurrence of an Event of Default under the Management and Maintenance Contract which the Transferee could have taken had an Event of Default occurred thereunder, or an event which, with the lapse of time or giving of notice, or both, would constitute an Event of Default under the Management and Maintenance Contract, including the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted by the Management and Maintenance Contract or by law, and to do any and all other things whatsoever which the Transferee is or may be entitled to do under said Management and Maintenance Contract;

it being the intent and purpose hereof that subject always to the exceptions, reservations and limitations contained in Section 1.4 hereof, the assignment and transfer to the Secured Party of said rights, powers, privileges, options and other benefits shall be effective and operative immediately and shall continue in full force and effect, and the Secured Party shall have the right to collect and receive said revenues, insurance proceeds, condemnation awards and other payments for application in accordance with the provisions of Section 3 hereof at all times during the period from and after the date of this Transferee Agreement until the obligations hereby secured have been fully paid and discharged.

1.3 Duration of Security Interest. The Secured Party, its successors and assigns, shall have and hold the Additional Collateral forever; provided, always, however, that if the obligations hereby secured shall be paid and discharged in full and Transferee and Railcars shall observe, keep and perform all the terms and conditions, covenants and agreements herein and in the Security Agreement contained,

then these presents and the estate hereby granted and conveyed shall cease and this Transferee Agreement shall become null and void; otherwise to remain in full force and effect. Secured Party further acknowledges and agrees that upon receipt of payment in full the Secured Party will, at the option of Railcars either: (i) release and discharge its lien; or (ii) assign its lien in the Additional Collateral to any third party institutional lender designated by Railcars.

1.4 Excepted Rights in Collateral. There are expressly excepted and reserved from the security interest and operation of this Transferee Agreement the following described properties, rights, interests and privileges (hereinafter sometimes referred to as the "Excepted Rights in Collateral") and nothing herein or in any other agreement contained shall constitute an assignment of the Excepted Rights in Collateral to the Secured Party:

(a) Any insurance proceeds payable directly to the Transferee under general public liability policies maintained by or for the benefit of Transferee; and

(b) Any rights or interests obtained by Transferee pursuant to any transfer of its interest in accordance with Section 2.5(c) hereof.

1.5 Release. Secured Party agrees that, so long as no Event of Default, and, after notice of default, no event which with the lapse of time or giving of notice or both would constitute an Event of Default, shall have occurred and be continuing, all revenues (insurance proceeds and condemnation awards excluded) under the Management and Maintenance Contract in excess of the amounts required to discharge the installments of principal of and interest on the Note which have matured on or before the date such revenues are required to be disbursed under the Management and Maintenance Contract shall be automatically released from the security interest of the Secured Party.

SECTION 2. COVENANTS AND WARRANTIES OF THE TRANSFEEE

The Transferee covenants, warrants and agrees as follows:

2.1 Transferee's Duties. The Transferee covenants

and agrees well and truly to perform, abide by and to be governed and restricted by each and all of the terms, provisions, restrictions, covenants and agreements set forth in this Transferee Agreement, the Management and Maintenance Contract, and in each and every supplement thereto or amendment thereof which may at any time or from time to time be executed and delivered by the parties thereto or their successors and assigns, to the same extent as though each and all of said terms, provisions, restrictions, covenants and agreements were fully set out herein.

2.2 Transferee's Covenants. The Transferee acknowledges and agrees that the Equipment is subject to and the rights of Transferee are subordinate in all respects to the the Equipment Security Interest. The Transferee shall pay or discharge any and all liens, charges or security interests on the Equipment or Additional Collateral claimed by any party from, through or under the Transferee, its successors or assigns not arising from transactions contemplated by the Security Agreement or this Transferee Agreement (but including, without limitation, tax liens arising out of receipt by Transferee of income and proceeds from the Equipment and the Additional Collateral) and claims which if unpaid might become such a lien, charge or security interest on or with respect to the Equipment and the Additional Collateral; provided, however, that Transferee shall not be required to discharge the lien of taxes, assessments or governmental charges or claims which are not at the time delinquent, or the lien of taxes, assessments or governmental charges or claims which are delinquent the validity of which is being contested in good faith by appropriate legal or administrative proceedings in any reasonable manner diligently pursued, provided that such proceedings shall suspend the collection of such taxes, assessments or governmental charges or claims and, in the written opinion of counsel to Railcars or the Transferee, a copy of which opinion shall have been delivered to Secured Party, the Equipment Security Interest and the security interest of the Secured Party in the Additional Collateral or any part thereof, would not be adversely affected or forfeited during the period of such contest. The Transferee has full right, power and authority to execute and deliver and to carry out the terms and provisions of (i) the agreements and documents relating to the purchase of the Equipment from Railcars and management of the Equipment (the "Transfer Documents") and (ii) this Transferee Agreement. There are no proceedings pending, or to the knowledge of the Transferee threatened, against or affecting Transferee in any court or before any

governmental authority or arbitration board or tribunal which, if adversely determined, would materially and adversely affect the right, power and authority of the Transferee to enter into the Transfer Documents or this Transferee Agreement or perform its obligations thereunder or hereunder. The Equipment acquired by Transferee is free and clear of any liens or encumbrances which result from claims against Transferee other than a security interest granted by the Transferee to Railcars under a Non-Negotiable Installment Promissory Note - Security Agreement dated the date hereof, the lien of taxes, assessments or governmental charges which are not delinquent, and the rights of W&S under the Management and Maintenance Contract. Transferee has not by affirmative act conveyed title to or a security interest in any such Equipment to any person or entity or subjected the Equipment to any lien or encumbrance other than the security interest granted to Railcars described above and the rights of W&S under the Management and Maintenance Contract.

2.3 Further Assurances. The Transferee will do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary or proper for the perfection of the security interest being herein provided for in the Additional Collateral, whether now owned or hereafter acquired, subject to the provisions of Section 5.5 hereof. Without limiting the foregoing but in furtherance of the security interest herein granted in the revenues and other sums due and to become due under the Management and Maintenance Contract, the Transferee covenants and agrees that it will direct W&S to make all payments of revenues derived under the Management and Maintenance Contract, other than the Excepted Rights in Collateral, directly to the Secured Party or as the Secured Party may direct.

2.4 Recordation and Filing. The Transferee will cause this Transferee Agreement and any supplements hereto, the Management and Maintenance Contract, and any supplements thereto and all financing and continuation statements and similar notices required by applicable law, at all times to be kept, recorded and filed at the sole expense of Railcars in such manner to preserve and protect the rights of the Secured Party hereunder.

2.5 Additional Covenants. The Transferee will not:

- (a) Declare a default or exercise the reme-

dies of the Transferee under, or terminate or modify or accept a surrender of, or offer or agree to, any termination or modification or surrender of or waiver with respect to, the Management and Maintenance Contract; provided, however, that Transferee shall have the right to terminate the Management and Maintenance Contract upon the occurrence of an event of default thereunder if (i) Transferee shall have entered into a new Management and Maintenance Contract in the form of the Management and Maintenance Contract (or other form reasonably satisfactory to Secured Party) with a manager which has capacity and capability substantially equivalent to that of W&S to load railroad gondola cars on its tracks, and is reasonably satisfactory to Secured Party and (ii) the Transferee shall have expressly assigned and granted a security interest therein to Secured Party on the same terms and conditions herein set forth;

(b) Receive or collect or permit the receipt or collection of any payment under the Management and Maintenance Contract, prior to the date for payment thereof provided for by the Management and Maintenance Contract or assign, transfer or hypothecate (other than to the Secured Party) any payment then due or to accrue in the future under the Management and Maintenance Contract, in respect of the Equipment; or

(c) Sell, mortgage, transfer, assign or hypothecate its interest in the Equipment or the Additional Collateral or any part thereof or in any amount to be received by it from the use or disposition of the Equipment, except to such person as shall acknowledge and agree in writing that its interest in such Equipment, Additional Collateral, part thereof or amount is subject and subordinate to the Equipment Security Interest and the security interest in the Additional Collateral granted to the Secured Party pursuant to this Transferee Agreement.

2.6 Power of Attorney in Respect of Management and Maintenance Contract. Transferee does hereby irrevocably constitute and appoint the Secured Party its true and lawful attorney with full power of substitution for it and in its name, place and stead, to ask, demand, collect, receive, receipt and sue for any and all income and other sums which are assigned under Section 1.1 and 1.2 to endorse the name of the Transferee on all commercial paper given in payment or in part payment thereof, and in its discretion to file any claim or take any other action or proceedings, either in its own name or in the name of the Transferee or otherwise, which the Secured Party may

deem necessary or otherwise appropriate to protect and preserve the right, title and interest of the Secured Party in and to such revenues and other sums and the security intended to be afforded hereby.

SECTION 3. APPLICATION OF REVENUES AND CERTAIN OTHER
MONEYS RECEIVED BY THE SECURED PARTY

3.1 Application of Revenues; Certain Prepayments. Transferee and Secured Party hereby expressly consent and agree that, so long as there exists no Event of Default, or event which with the lapse of time or giving of notice, or both, would constitute an Event of Default under the Security Agreement, (i) all amounts from time to time received by the Secured Party constituting payment of revenues under the Management and Maintenance Contract shall be applied by Secured Party, first to the payment of the principal of and interest on the Note then due and owing (in each instance to payment of interest and then to payment of principal), and second any balance shall be released promptly to W&S for application pursuant to the Management and Maintenance Contract, and (ii) all casualty insurance proceeds and condemnation awards from time to time received by Secured Party shall be applied by Secured Party in the manner and priority set forth in Section 6 of the Security Agreement and Section 12 of the Management and Maintenance Contract.

SECTION 4. DEFAULTS AND OTHER PROVISIONS

4.1 Events of Default. The term Event of Default shall mean one or more of the following:

(a) An Event of Default as defined and set forth in the Security Agreement.

(b) An Event of Default, as defined and set forth in the Management and Maintenance Contract, shall occur and be continuing unless the Management and Maintenance Contract shall have been terminated under the conditions permitted and in compliance with Section 2.5(a) of this Transferee Agreement.

(c) Default on the part of the Transferee in the due observance or performance of any covenant or agreement to be observed or performed by the Transferee under this Transferee Agreement and such default shall continue unremedied for 30 days after written notice from the Secured Party to Railcars and the Transferee specifying the default and demanding the same to be remedied.

(d) Any representation, warranty or covenant on the part of the Transferee made herein or in the Management and Maintenance Contract or in any report, certificate, financial or other statement furnished in connection with this Transferee Agreement, or the Management and Maintenance Contract shall prove to be false or misleading in any material respect materially adverse to the Secured Party when made and, if the same is susceptible of being cured, the same is not cured within 30 calendar days.

(e) Any proceeding commenced by or against Railcars or the Transferee for any relief which includes or might result in any modification of the obligations of Railcars or the Transferee under the Security Agreement under any bankruptcy or insolvency law or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions, or if commenced against Railcars or the Transferee such proceedings shall not have been dismissed within 90 days.

Anything in this Section 4.1 or Section 4.2 hereof to the contrary notwithstanding, in the event of a default in payment of any installment of the Note (herein called a "Payment Default"), the Secured Party nevertheless agrees not to exercise any of its rights or remedies under said Sections, including, without limitation, the acceleration of payments due under the Note, solely by reason of such Payment Default if, within 10 days after the Secured Party shall have given written notice of such Payment Default to the Transferee, (i) the Transferee shall have made all payments required by the Note, nonpayment of which shall have occasioned the Payment Default, including interest at the overdue rate set forth therein, and (ii) no event of default under the Note or this Transferee Agreement other than such Payment Default shall have occurred and be continuing; provided, however, that the Transferee shall be entitled to cure not more than three Payment Defaults. The Secured Party agrees to give notice, as aforesaid, upon the occurrence of a Payment Default, but its failure to do so shall not affect its rights to proceed against Railcars or any other party liable for the payment of the Note.

4.2 Secured Party's Rights. The Transferee agrees that when any Event of Default has occurred and is continuing, the Secured Party shall have the rights, options, duties and remedies of a secured party, and the Transferee shall have the rights and duties of a debtor, under the Uniform Commercial Code of the Commonwealth of Pennsylvania

(regardless of whether such code or law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted) and the Secured Party shall have the following rights and remedies:

(a) In the event the Secured Party declares the entire unpaid balance of the Note to be immediately due and payable Secured Party agrees to provide notice to the Transferee to that effect. Notwithstanding anything to the contrary contained herein, the Transferee shall have the right to redeem all but not less than all of the Equipment owned by it by paying to the Secured Party, within ten (10) days of the receipt by Transferee of the notice from the Secured Party, an amount equal to the Redemption Value (as hereinafter defined) for the Equipment to be redeemed. For the purposes of this Section 4.2(a), the Redemption Value shall be an amount equal to the then outstanding amount of the obligations hereby secured.

(b) The Secured Party may proceed to exercise all rights, privileges, and remedies of the Transferee under the Management and Maintenance Contract and may exercise all such rights and remedies either in the name of the Secured Party taking such action or in the name of the Transferee for the use and benefit of the Secured Party.

4.3 Application of Sales Proceeds. The proceeds and/or avails of any sale of the Equipment, or any part thereof, and the proceeds and the avails of any remedies hereunder, including proceeds of the Management and Maintenance Contract, shall be paid to and applied in the same manner as provided on Section 4 of the Security Agreement:

4.4 Cumulative Remedies. No delay or omission of the Secured Party to exercise any right or power arising from any default on the part of Railcars or Transferee shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by the Secured Party, of any such default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent default, or to impair the rights resulting therefrom except as may be otherwise provided herein. The Secured Party may exercise any one or more or all of the remedies hereunder and no remedy is intended to be exclusive of any other remedy but each and every remedy shall be cumulative and in addition to any and every other remedy given hereunder or otherwise existing now or hereafter at law or in equity; nor shall the giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the indebtedness secured under

this Transferee Agreement operate to prejudice, waive or affect the security of this Transferee Agreement or any rights, powers or remedies hereunder, nor shall the Secured Party be required to first look to, enforce or exhaust such other or additional security, collateral or guarantees.

SECTION 5. MISCELLANEOUS

5.1 Successors and Assigns. Whenever any of the parties hereto is referred to such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Transferee Agreement contained by or on behalf of the Transferee or by or on behalf of the Secured Party, shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

5.2 Partial Invalidity. The unenforceability or invalidity of any provision or provisions of this Transferee Agreement shall not render any other provision or provisions herein contained unenforceable or invalid.

5.3 Communications. All communications provided for herein shall be in writing and shall be deemed to have been given (unless otherwise required by the specific provisions herein in respect of any matter) when deposited in the United States certified mails, first class, postage prepaid, addressed as follows:

To the Transferee: The Weiler-Arnow Investment
Company
1114 Avenue of the Americas
New York, New York 10036

With a copy to: Bergreen & Bergreen
660 Madison Avenue
New York, New York 10021

To the Secured
Party: U.S. Steel Credit Corporation
600 Grant Street
Pittsburgh, Pennsylvania 15219
Attn: Manager-Leasing

or to the Transferee or the Secured Party at such other address as the Transferee or the Secured Party may designate by notice duly given in accordance with this Section to the other party.

5.4 Release. The Secured Party shall release this Transferee Agreement and the security interest granted hereby by proper instrument or instruments upon presentation of satisfactory evidence that all obligations hereby secured have been fully paid or discharged.

5.5 Non-Recourse. Notwithstanding anything to the contrary contained in this Transferee Agreement or any document collateral thereto, it is expressly understood and agreed that the liabilities and obligations of the Transferee shall be non-recourse and enforceable exclusively against the Equipment and the Additional Collateral and Transferee does not assume any of the provisions of the Note or the Security Agreement and Transferee shall not be personally liable for and ~~Transferee~~ shall not seek any deficiency or other money judgment against Transferee in any event. *Secured Party*

5.6 Governing Law. This Transferee Agreement shall be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. Section 11303 and such additional rights arising out of the filing, recording or deposit hereof, if any, and of any assignment hereof, as shall be conferred by the laws of the jurisdictions in which this Agreement or any assignment hereof shall be filed, recorded or deposited.

5.7 Counterparts. This Transferee Agreement may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together only one Transferee Agreement.

5.8 Headings. Any headings or captions preceding the text of the several sections hereof are intended solely for convenience of reference and shall not constitute a part of this Transferee Agreement nor shall they affect its meaning, construction or effect.

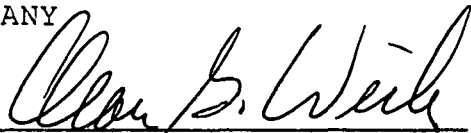
IN WITNESS WHEREOF, the Transferee and the Secured Party intending to be legally bound hereby, have executed this Transferee Agreement as of the day and year first above written.

Witness:



THE WEILER-ARNOW INVESTMENT
COMPANY

By:




Title:

Associate Gen Mgr

[SEAL]

U.S. STEEL CREDIT CORPORATION

Attest:


ASST. SECRETARY

By:

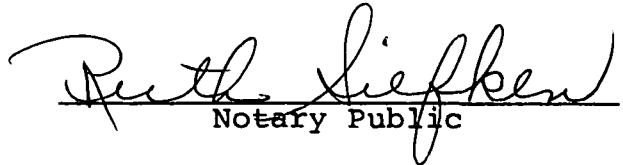


Title:

ASST. TREASURER

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On this 19th day of September, 1980, before me personally appeared ALAN G. WEILER, to me personally known, who being by me sworn did depose and say that he is Associate General Manager of The Weiler-Arnow Investment Company, the partnership which executed the foregoing document, that said document was signed by him on behalf of said partnership, that he had the authority to sign the same, and he acknowledged that the execution of the foregoing document was the free act and deed of said partnership.


Notary Public

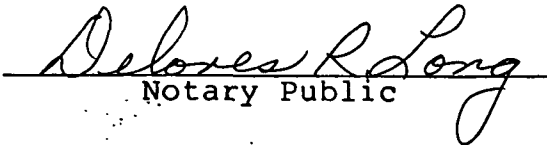
RUTH SIEFKEN
Notary Public, State of New York
No. 41-898859
Qualified in Queens County
Certificate filed in New York County
Commission expires March 30, 1982

STATE OF PENNSYLVANIA)

: ss.:

COUNTY OF ALLEGHENY.)

On this 23rd day of September, 1980, before me personally appeared R. D. Crafé, to me personally known, who, being by me duly sworn, said that he is Asst. Treasurer of U.S. Steel Credit Corporation, that said instrument was duly signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

[SEAL]

DELORES R. LONG, NOTARY PUBLIC
PITTSBURGH, ALLEGHENY COUNTY
MY COMMISSION EXPIRES JUNE 27, 1983
Member, Pennsylvania Association of Notaries

SCHEDULE A

TO TRANSFEREE AGREEMENT

The Equipment consists of one hundred (100) general purpose 52'6" Thrall Car Manufacturing Company gondola cars bearing identifying numbers as follows:

WSOR 5164 through WSOR 5263, inclusive, manufactured by Thrall Car Manufacturing Company under Purchase Order Agreement made with Funding Systems Railcars, Inc. dated as of December 21, 1979, as amended.

WISCONSIN & SOUTHERN RAILROAD CO.

Consent and Agreement

Funding Systems Railcars, Inc.
Suite 404
1000 RIDC Plaza
Pittsburgh, Pennsylvania 15238
Attention: Mr. Paul Willard
Vice President

U.S. Steel Credit Corporation
600 Grant Street
Pittsburgh, Pennsylvania 15219
Attention: Manager - Leasing

As of September 23, 1980

Gentlemen:

Reference is made to the Security Agreement dated as of the date hereof ("Security Agreement") between U.S. Steel Credit Corporation, ("Secured Party"), and Funding Systems Railcars, Inc. ("Debtor"). Further reference is made to the Transferee Agreement dated the date hereof (the "Transferee Agreement") among The Weiler-Arnold Investment Company ("W-A") and the Secured Party. The capitalized terms used herein shall have the respective meanings set forth in the Transferee Agreement unless the context otherwise requires.

As an inducement to and as part of the consideration for the financing to be provided by the Secured Party to the Debtor for the Equipment, Wisconsin & Southern Railroad Co. ("W&S") represents, warrants and agrees as follows:

1. Title. Except for the security interest granted by the Security Agreement, and the subordinate security interest granted by W-A to the Debtor and described in Section 2.2 of the Transferee Agreement, no mortgage, deed of trust or other lien of any nature whatsoever which now covers or affects any property or interest therein of W&S, now attaches or hereafter will attach to any

item of Equipment or in any manner affects or will affect adversely the right, title and interest of W-A or security interest of the Secured Party therein.

2. Insurance. The Equipment is and will continue to be covered by the insurance required by the Management and Maintenance Contract and the Security Agreement and all premiums due on or prior to the date hereof in respect of such insurance have been paid in full.

3. Amendments to Management and Maintenance Contract. Until such time as the Note and all other obligations of Railcars to the Secured Party have been paid and discharged, W&S will not enter into or permit any amendment, modification or termination of the Management and Maintenance Contract or assign or transfer its interest thereunder to any party without the prior written consent of the Secured Party.

4. Rights of Secured Party. W&S acknowledges receipt of a copy of the Transferee Agreement and consents to the terms and provisions thereof, and further acknowledges that notwithstanding any provision of the Management and Maintenance Contract to the contrary, (i) its rights under the Management and Maintenance Contract are subject and subordinate to the security interest of the Secured Party under the Security Agreement and Transferee Agreement; (ii) upon the occurrence of an Event of Default, as defined in the Security Agreement, the Secured Party shall have all the rights described in Section 5 of the Security Agreement and may exercise any of the same without any liability to W&S; and (iii) upon the occurrence of an Event of Default, as defined in the Transferee Agreement, the Secured Party shall have the rights described in Section 4 of the Transferee Agreement and may exercise any of the same without any liability to W&S and in addition the Secured Party shall have the immediate and continuing right to terminate the Management and Maintenance Contract whether or not W&S is in default with respect thereto, and without payment of any kind to W&S. Further, W&S agrees not to enter into any lease or submanagement agreement with respect to any Item of Equipment not terminable by the Secured Party upon an Event of Default. W&S agrees that all revenues under the Management and Maintenance Contract are payable to the Secured Party for application as provided in the Transferee Agreement; provided, however, that until notified to the contrary by the Secured Party at the address specified in the Management and Maintenance Contract for notice to W&S, W&S shall not be required to make any

payments in excess of the amounts necessary for application pursuant to clause (i) first of Section 3.1 of the Transferee Agreement, and further provided that Secured Party*

Payments to Secured Party shall be by bank wire transfer of Federal or other immediately available funds, to such bank or trust company in the Continental United States for the account of the Secured Party as the Secured Party shall designate to the Debtor from time to time in writing, and, if no such designation is in effect, by check, duly mailed, in each case with sufficient information to identify the source and application of such funds, or in such other manner or to such other address in the United States as Secured Party may designate in writing to the Debtor.

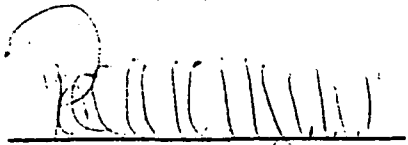
5. Notices Under Management Contract. W&S will forward to Secured Party, by first class mail postage prepaid, copies of all reports and notices required to be delivered by W&S to W-A under the Management and Maintenance Contract, including without limitation the annual report required to be delivered under Section 2.4 thereof, notice of any change in the Maintenance Fee required to be delivered under Section 8.3 thereof, the status report required to be delivered under Section 13.1 thereof and reports of foreign usage required to be delivered under Section 21 thereof.

6. Default. W&S shall not be in default in the performance of its obligations under this Consent and Agreement until the receipt of written notice by W&S and W-A specifying the occurrence of such default and such default shall continue unremedied for a period of ten days after receipt of such notice. If such default is not remedied, W-A and Secured Party shall have the right to deem such default hereunder to be an Event of Default by W&S under the Management and Maintenance Contract.

7. Amendment or Modification. This Consent and Agreement shall not be amended, modified or terminated without the prior written consent of W-A.

WISCONSIN & SOUTHERN RAILROAD CO.

WITNESS:



By: 

Title: 

*shall not give such notice unless and until an Event of Default shall have occurred under the Transferee Agreement.

Agreed to this ^{23rd} 18th day of September, 1980.

U.S. STEEL CREDIT CORPORATION

WITNESS:

By: [Signature]

Title: Asst. Treasurer

WITNESS:

By: [Signature]

Title: Asst. General Manager